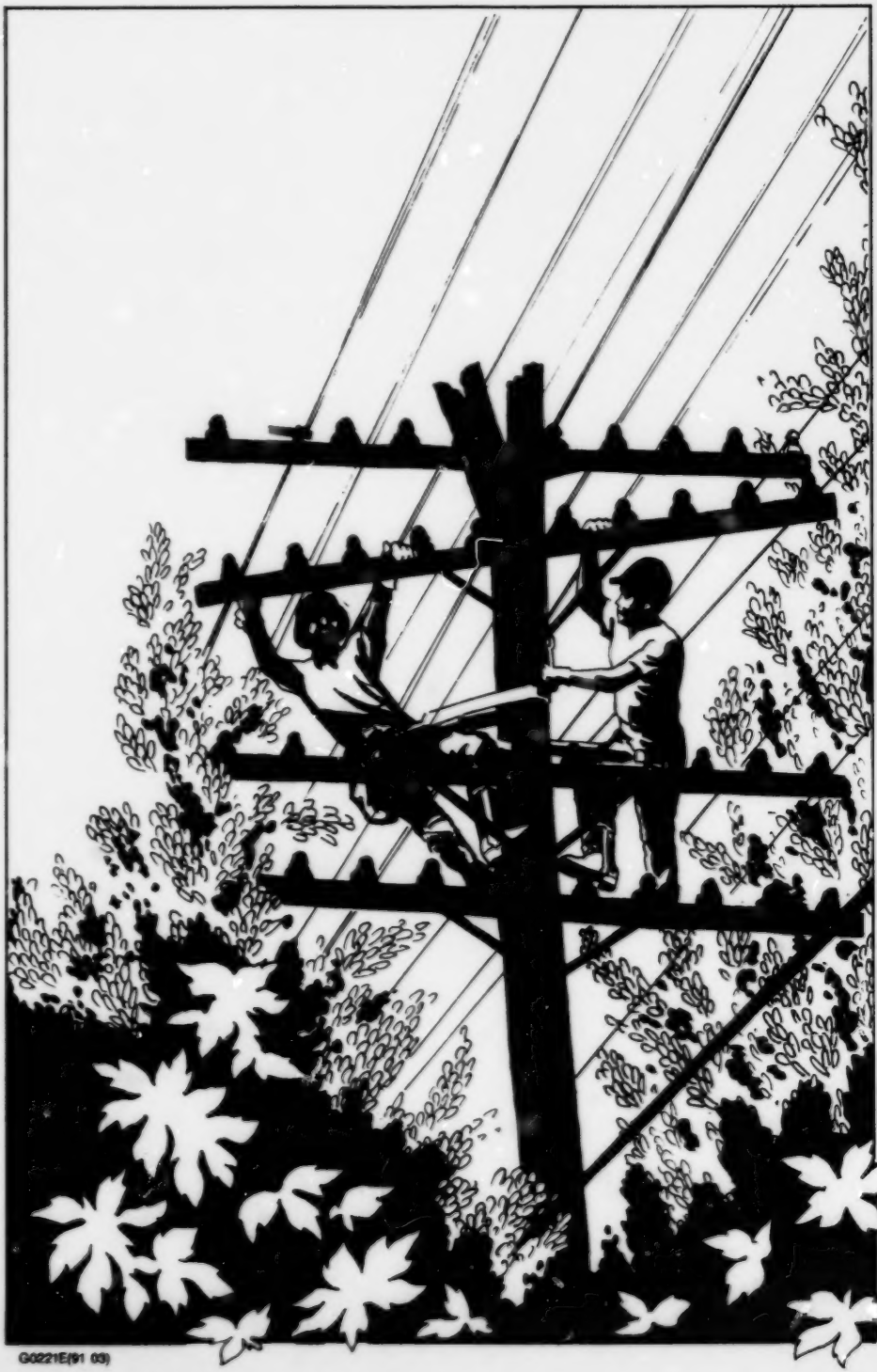
Department
of Telephones
Saskatchewan

# Annual Report 1990

Saskatchewan



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# Annual Report

**DEPARTMENT OF TELEPHONES**
**Province of Saskatchewan**
**Calendar year 1990**

**Hon. J. Gary Lane**
**Minister**

**Mr. Doug Smith**
**Deputy Minister**

91-04103/

Hon. J. Gary Lane, Q.C.
Minister of Telephones

REGINA, Saskatchewan
January, 1991

TO HER HONOUR

The Honourable Sylvia Fedoruk, O.C., S.O.M.,

Lieutenant Governor of the Province of Saskatchewan.

Dear Lieutenant Governor:

I have the honour to submit herewith, the report of the Department of Telephones covering the activities of the rural telephone systems in the province for the calendar year 1990.

I have the honour to be,

Your obedient servant,

J. Gary Lane, Q.C.
Minister of Telephones.

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# 1990 Report at a glance

- During 1990, four rural telephone companies, with 130 subscribers joined SaskTel making a total of 704 companies with over 48,531 subscribers assimilated in the last fourteen years.
- As of December 31, 1990, there are no Rural Telephone Companies remaining in the Province of Saskatchewan.
- Rural telephone company spending totalled $5,161.00, down 26% from the previous year.
- As of 1984, all existing rural telephone companies were debt free.

# Dedicated to the Pioneers of Saskatchewan

The Rural Telephone system was developed and operated in pioneer times by volunteer help. Under some of the most adverse conditions and with few mechanical tools and resources these individuals developed a system that truly was a trail blazer for the system SaskTel maintains today. This report is dedicated to the memory of those early pioneers.

## Rural party lines have gone dead

What spanned nearly a century has now become history. In the early 1900's small groups of rural people organized Rural Telephone Companies which provided their communities with a local telephone service. By 1908 these rural cooperatives had sprung up, eventually numbering nearly 1200, they had cooperated with the provincially run grid system to provide a telecommunications network that reached virtually every Saskatchewan resident.

In later years with the advent of new technology these multi-party lines were no longer able to supply the kind of service subscribers demanded. This enhanced service could only be provided by upgrading the existing facilities, which often meant a considerable capital investment by each member subscriber. By the 1960's these rural companies began to disappear as one by one they asked SaskTel to provide service in their area. This process took until 1990 when the last four companies handed over their responsibilities to SaskTel to provide service to their local people under the Voluntary Assimilation Program.

## Rural Telephone Memorabilia

1. In 1908 the Municipal Telephone Act and the Rural Telephone Act were enacted to allow rural telephone systems to begin operation.

2. The 1909-10 annual report of the Department of Railways and Telephones stated that the rural lines were being erected with the cooperation of the government and the people. The rural lines, the report said, were not built for commercial purposes, but mainly to save farmers travelling time.

3. 1908 saw 25 independent phone companies incorporated, with another 45 formed in 1909.

4. By 1921 more than 1000 rural companies were providing local service to 58,000 farm subscribers while the government system was serving 30,500.

5. Until 1931 there were more rural company telephones than telephones provided by the Department of Telephones.

6. The number of private phone companies peaked at 1,170 in 1940, but then began a steady decline as more and more companies decided in favor of assimilation.

7. In 1977, 460 rural telephone companies assimilated with SaskTel.

8. In 1986, when the Individual Line Service Program began, there were only 31 rural companies left in existence.

9. The Crown assisted the rural telephone companies to stay alive by injecting $9.3 million into grants over a 26 year period.

10. Some interesting rules were set up by rural companies:

    a) No call could be longer than five minutes.
    b) There was a ten cent fine for anyone who refused to give up the phone.
    c) You had to call by the number, not by the name of the person you wanted to speak to.

11. Money was short, so instead of replacing poles, the rotten part was just cut off and the shorter pole was lowered into the ground.

12. Eavesdropping on the party line, commonly known as "rubbernecking" was considered terribly rude. Those subscribers who participated in this practice had to replace their batteries more often.

13. A "general ring" often served as a public notice for a community picnic, a school concert or maybe a fire in the community.

14. Many stories have been told of the pioneers using a rural telephone line as a landmark and guide during some terrible Saskatchewan winter storms.

## Administration

Rural telephone companies historically were responsible for providing telephone service to Saskatchewan's farming population. During the last 14 years, 704 companies have voluntarily given the responsibility for their serving area to SaskTel.

Under Section 5 of The Telephone Department Act, SaskTel administers The Rural Telephone Act and gives advice and guidance to rural companies for constructing and maintaining their plant to approved standards.

During 1990 SaskTel provided technical assistance to rural companies, as well as administrative help in winding up the companies that have joined SaskTel.

## Companies assimilated during 1990

| Name | Connecting point | Number of subscribers | Assimilation date |
|---|---|---|---|
| Balcarres West | Balcarres | 10 | October 4, 1990 |
| East Borden | Borden | 51 | November 5, 1990 |
| Pelly | Pelly | 61 | September 4, 1990 |
| Redrows | Balcarres | 8 | October 4, 1990 |
| | **Total** | **130** | |

## Grant programs - 1960 to 1986

In 1960, a program of grants was introduced providing funds to rural telephone companies that would assist and encourage them to upgrade the quality and reliability of the telephone service they provided to their subscribers. Grants were discontinued in 1986 with the introduction of SaskTel's Rural Individual Line Service Program.

### Instrument grant - 1960 to 1974

$989,483 was paid to provide dial-operated telephones free of charge in exchange for the magneto telephones.

### Pole grant - 1960 to 1974

Approximately $1,700,000 was paid to assist in the purchase of over 700,000 treated poles.

### Maintenance grant - 1960 to 1986

An annual grant of $2.50 per subscriber, of which approximately $1,786,000, was paid to rural companies who maintained their plant to approved standards. The Maintenance grant was discontinued after 1986.

### Circuit grant - 1965 to 1986

The circuit grant was started in 1965 when reliable cable became available and replaced pole line construction almost immediately. It reduced the number of above-ground obstacles from an average of 25 poles per mile to an average of two pedestals per mile. The circuit grant cost approximately $4,791,000 and was discontinued in 1986 because of SaskTel's Rural Individual Line Service Program.

## Operational assistance to rural telephone companies

There were four rural telephone companies still in operation at the beginning of 1990 and the department staff continued to offer technical advice and assistance as in the past.

The annual financial report of each rural company was reviewed and recorded. Details from the statements are included in this report.

## The Voluntary Assimilation Program

Responding to requests from rural telephone companies and the Association of Rural Telephone Companies, SaskTel, in 1976, announced two new programs.

The Voluntary Assimilation Program allows any rural telephone company to voluntarily give the responsibility for providing telephone service in its area to SaskTel. The Rural Service Improvement Program essentially provided for all rural telephone plant in the province to be buried with no more than four subscribers per circuit.

In the 10 years prior to 1976, SaskTel's Unserved Area Program assisted rural companies greatly by burying cables to pockets of farmers situated beyond the rural company serving area, allowing rural companies along the cable routes to rent cable pairs or in some instances to join SaskTel. Over 100 rural companies joined SaskTel during that period with 704 companies joining SaskTel in the last fourteen years.

In 1986, the Rural Individual Line Service Program was introduced. This program provided private line service to rural subscribers in the province and ploughing of cable was completed during 1990. This program required all rural companies to provide private line service to their subscribers. Should a rural telephone company find it is not feasible to carry out this program, an opportunity to assimilate with SaskTel was offered, in accordance with The Rural Telephone Act.

The following indicates rural companies assimilated in the past by SaskTel:

| Year | Number of companies | Number of subscribers | Year | Number of companies | Number of subscribers |
|---|---|---|---|---|---|
| 1967 | 1 | 5 | 1979 | 32 | 3,041 |
| 1968 | 8 | 96 | 1980 | 35 | 2,059 |
| 1969 | 2 | 25 | 1981 | 26 | 1,392 |
| 1970 | - | - | 1982 | 30 | 1,666 |
| 1971 | 8 | 225 | 1983 | 1 | 222 |
| 1972 | - | - | 1984 | 6 | 255 |
| 1973 | 8 | 528 | 1985 | 3 | 86 |
| 1974 | 22 | 677 | 1986 | 11 | 285 |
| 1975 | 27 | 715 | 1987 | 14 | 694 |
| 1976 | 29 | 1,570 | 1988 | 11 | 419 |
| 1977 | 460 | 33,603 | 1989 | 2 | 134 |
| 1978 | 69 | 4,545 | 1990 | 4 | 130 |

At year end, all rural companies had assimilated with SaskTel.

## Rural Saskatchewan goes private line

Ever since SaskTel was created, over 80 years ago, the corporation has constantly maintained its leadership in the telecommunications industry. SaskTel's objective has always been to provide Saskatchewan residents with the most modern telecommunications facilities possible. In 1986, SaskTel took another bold step into the future. The individual line service project has resulted in the elimination of rural multi-party lines in the province.

All rural telephone companies were expected to upgrade their network system to accept this new service or to assimilate with SaskTel.

Besides the advantages of privacy and convenience, individual line service will provide full access to a broad range of communication services and products previously available only to urban residents. Rural individual line customers are now able to select from a full range of products such as cordless phones, telephone answering units, and telephone sets which can handle both voice and data transmission. Business customers, including those in the agricultural industry, are now offered an extensive line of other telecommunications options and services.

As of this year, the last of the rural telephone companies have assimilated with SaskTel so they too have become a part of this exciting new era, where the rural party line has become a thing of the past.

## Summary of statistical returns from rural telephone companies

| Size of companies | Number of companies | | | Number of telephones (all companies) | | |
|---|---|---|---|---|---|---|
| **Subscribers** | **1988** | **1989** | **1990** | **1988** | **1989** | **1990** |
| 1 - 10 | 1 | 1 | 2 | 8 | 8 | 18 |
| 11 - 25 | 1 | 1 | — | 11 | 11 | — |
| 26 - 50 | 3 | — | — | — | — | — |
| 51 - 100 | 4 | 2 | 2 | 284 | 112 | 112 |
| 101 - 200 | | — | — | — | — | — |
| | 6 | 4 | 4 | 303 | 131 | 130 |

## Receipts and expenditures

| | 1988 | 1989 | 1990 |
|---|---|---|---|
| Rentals Received | $ 4,603 | $ 800 | $ 1,967 |
| Total Receipts | $ 14,714 | $ 1,109 | $ 2,396 |
| Total Expenditures | $ 17,540 | $ 6,985 | $ 5,161 |

# PROVINCE OF SASKATCHEWAN
# ANNUAL REPORT OF RURAL TELEPHONE COMPANIES
## As at December 31, 1990

| Name of Company | Connecting Point | Rental Received | Total Receipts | Total Expenditures | Kilometers | | | | Farms | No. of Telephones | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | Open Wire | | Buried | | | | | |
| | | | | | Route | Circuit | Route | Circuit | | Res. | Bus. | Total |
| Balcarres West | Balcarres | 264 | 264 | 267.00 | — | — | 10 | 23 | 10 | 10 | — | 10 |
| East Borden | Borden | 00 | 400.00 | 2,384.00 | — | — | 48 | 187 | 51 | 51 | — | 51 |
| Pelly | Pelly | 1,480.00 | 1,490.00 | 2,158.00 | — | — | 44 | 42 | 61 | 61 | — | 61 |
| Redrows | Balcarres | 223.00 | 242.00 | 352.00 | — | — | 16 | 14 | 8 | 8 | — | 8 |
| **TOTAL** (4 Companies) | | **$1,967.00** | **2,396.00** | **5,161.00** | | | | | | | | **130** |